CITY OF ELGIN, OREGON

RESOLUTION 1098 (2001)

A RESOLUTION OF THE CITY COUNCIL
ELECTING TO MAKE APPLICATION FOR ENTRY INTO
OPERS LOCAL GOVERNMENT RATE POOL

WHEREAS: The Board of Trustees of the Oregon Public Employees Retirement System (OPERS) has adopted OAR 459-009-0070, which allows the formation of a Local Government Rate Pool; and,

WHEREAS: The City of Elgin has determined that participation in this pool is a prudent action for the City to take; and,

WHEREAS: The projected composite rate for the City of Elgin in the pool is 10.86%, an increase of 81% above the current City rate of 6%; and,

WHEREAS: The transitional liability, on December 31, 2000, to the pool for the City of Elgin is calculated to be <$670,825>, (a credit in the City's favor); and,

WHEREAS: It is intended by OPERS that pool members amortize their liabilities (or credits) over a period of 27 years, adding to (or subtracting from) the base rates as necessary to reach a net balance of zero at the end of the 27 year period; and,

WHEREAS: The credit due the City of Elgin, does not diminish even when the City rate to the pool is set to 0.0%, but continues to increase throughout the 27 year period to a projected balance of over $1,600,000.

NOW THEREFORE BE IT RESOLVED:
That the City of Elgin (OPERS employer number 2205) has, by duly adopted motion of the City Council meeting in regular session, elected to apply for acceptance into the OPERS Local Government Rate Pool; and,

BE IT FURTHER RESOLVED:
That upon acceptance into the pool, OPERS reimburse the City a cash amount equal to the City's negative liability at the time of entering the pool, and set the City's PERS rate to the composite rate to be determined, or to pay the City of Elgin a cash amount that will both reduce the City's composite rate to the current 6% and reduce the remaining credit to a zero balance on December 31, 2027.

PASSED AND ADOPTED this 10th day of April, 2001
With 5 Ayes, 0 Nays, 0 Abstentions, 2 Absent.

Signed; Berta Churchill
Berta Churchill, Mayor

Attest; Joe Garlitz
Joe Garlitz, Recorder/Administrator

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
INITIAL POOLING RATE EXHIBIT – MARCH 16, 2001

Dave Bailey

Employer: **CITY OF ELGIN** **Employer Number:** **2205**

Note: These Initial Calculations Assume All Participating Employers Elect to Enter the Pool

	General Service	Police & Fire		Composite Results
1999 Valuation Payroll	$ 140,899	$ 96,513		$ 237,412
Normal Cost Rate	8.96%	12.06%	(A)	10.22%
Retiree Health Subsidy				0.64%
Total before Amortization of Transition Liability			(B)	10.86%
Amortization of Transition Liability from July, 2001				
Unfunded Actuarial Liability at December, 1999			(C)	-10.89%
Adjustment for Pooling Delay until July , 2001			(D)	0.03%
Total Amortization Rate			(E)	-10.86%
Total Pooled Rate on July 1, 2001			(F)	**0.00%**

Calculation of Rate Available for Amortization

	1/1/00	7/1/00	7/1/01
Current Rate Schedule	**6.00%**	**6.00%**	**6.00%**
Less Normal Cost Rate	9.92%	9.92%	9.92%
Less Retiree Health	0.64%	0.64%	0.64%
Available for Amortization	-4.56%	-4.56%	-10.89%

Pooling Delay Adjustment

Individual Rate	9.92%
Pooled Normal Cost	10.22%
Difference	0.30%
Amortized from July, 2001 to December, 2027	0.03%

Calculation of Transition Liability at December 31, 1999

	Liability	Rate
Unfunded Actuarial Liability from 1999 Valuation Report	$ (632,811)	-10.89%

Calculation of Pooling Delay Adjustment

	Projected Payroll	Pooling Change	Annual Difference	Present Value		
2000	242,405	0.30%	727	700		
2001	252,707	0.15%	375	341	1,040	0.03%
Total Transition Liability calculated as of December 31, 1999					$ (631,771)	-10.86%

PERS
P.O. Box 23700
Tigard, OR 97281-3700

Employer: CITY OF ELGIN **Employer Number:** 2205

Note: These Initial Calculations Assume All Participating Employers Elect to Enter the Pool

Amortization of Transition Liability from December 31, 1999

Dec 31st	Projected Payroll	Amort. Rate	Annual Payment	Outstanding TL Balance
1999	237,412			(631,771)
2000	242,405	-4.56%	(11,054)	(670,825)
2001	252,707	-7.74%	(19,566)	(704,157)
2002	263,447	-10.86%	(28,610)	(730,757)
2003	274,643	-10.86%	(29,826)	(758,221)
2004	286,316	-10.86%	(31,094)	(786,565)
2005	298,484	-10.86%	(32,415)	(815,803)
2006	311,170	-10.86%	(33,793)	(845,948)
2007	324,394	-10.86%	(35,229)	(877,013)
2008	338,181	-10.86%	(36,726)	(909,007)
2009	352,554	-10.86%	(38,287)	(941,938)
2010	367,537	-10.86%	(39,915)	(975,813)
2011	383,158	-10.86%	(41,611)	(1,010,634)
2012	399,442	-10.86%	(43,379)	(1,046,404)
2013	416,418	-10.86%	(45,223)	(1,083,119)
2014	434,116	-10.86%	(47,145)	(1,120,774)
2015	452,566	-10.86%	(49,149)	(1,159,359)
2016	471,800	-10.86%	(51,237)	(1,198,861)
2017	491,851	-10.86%	(53,415)	(1,239,259)
2018	512,755	-10.86%	(55,685)	(1,280,530)
2019	534,547	-10.86%	(58,052)	(1,322,643)
2020	557,265	-10.86%	(60,519)	(1,365,561)
2021	580,949	-10.86%	(63,091)	(1,409,240)
2022	605,639	-10.86%	(65,772)	(1,453,626)
2023	631,379	-10.86%	(68,568)	(1,498,659)
2024	658,213	-10.86%	(71,482)	(1,544,265)
2025	686,187	-10.86%	(74,520)	(1,590,363)
2026	715,350	-10.86%	(77,687)	(1,636,858)
2027	745,752	-10.86%	(80,989)	(1,683,640)